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VILLAGE OF DUBBERLY, LOUISIANA
FINANCIAL REPORT
DECEMBER 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-21-04

VILLAGE OF DUBBERLY, LOUISIANA
Financial Report
Year Ended December 31, 2003

ACCOUNTANTS' COMPILATION REPORT	1
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	2
LOUISIANA ATTESTATION QUESTIONNAIRE	6
MANAGEMENT LETTER	8
GENERAL PURPOSE FINANCIAL STATEMENTS:	
Combined Balance Sheet - All Fund Types and Account Groups	10
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balance	11
Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Type	12
Statement of Cash Flows - Proprietary Fund Type	13
Notes to Financial Statements	14
SUPPLEMENTAL INFORMATION SCHEDULES:	
Schedule of Compensation Paid Board Members	23
Summary Schedule of Prior Year Findings	24
Corrective Action Plan for Current Year Findings	25

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A PROFESSIONAL ACCOUNTING CORPORATION

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WM. PEARCE JAMIESON, C.P.A.(1991)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

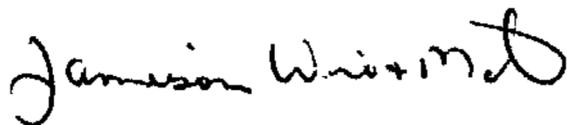
ACCOUNTANTS' COMPILATION REPORT

The Honorable Dyann Plunkett, Mayor, and the
Board of Aldermen
Village of Dubberly, Louisiana

We have compiled the accompanying financial statements of the Village of Dubberly, Louisiana, as of and for the year ended December 31, 2003 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements information that is the representation of management. We have not audited or reviewed the compiled financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated June 29, 2004, on the results of our agreed-upon procedures.



Minden, Louisiana

June 29, 2004

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Dyann Plunkett, Mayor, and the Members of
the Board of Aldermen
Village of Dubberly, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Village of Dubberly, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Dubberly's compliance with certain laws and regulations during the year ended December 31, 2003, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

For the year ended December 31, 2003, the village purchased a generator for \$23,021. It appears the purchase was made in accordance with LSA-RS 38:2211-2251.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and the subsequent amendments made to the budget during the year ended December 31, 2003.

6. Traced the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on December 9, 2002, which indicated that the budget had been adopted by a unanimous vote. We traced subsequent amendments to the May 12, October 20, and December 8, 2003 minutes.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceeded budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures did not exceed budgeted amounts by more than 5% for the year ended December 31, 2003.

Accounting and Reporting

8. Randomly select 6 disbursements made during the periods under examination and:
 - (a) trace payments to supporting documentation as to proper amount and payee

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account;

All six payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities

Inspection of documentation supporting each of the six disbursements and a review of the minutes of Village meetings, indicated proper approval from the Mayor and Board of Aldermen.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Village is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than scanning a file containing copies of the notices posted during the year.

Debt

10. Examine bank deposits for the periods under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the periods under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have made to employees which may constitute bonuses, advance, or gifts.

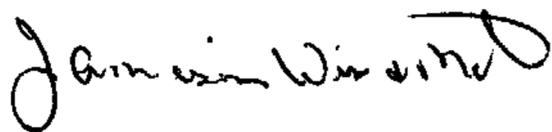
The payroll records and minutes did not indicate any payments made to employees that constituted bonuses, advances, or gifts.

Our prior year report, dated December 31, 2002, did not include any comments or unresolved matters.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an

opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Village of Dubberly, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script, appearing to read "James W. Winters".

Minden, Louisiana

June 29, 2004

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)
_____ (Date Transmitted)

_____ (Auditors)

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..
Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.
Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.
Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.
Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.
Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.
Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.
Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.
Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.
Yes No

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.
Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

<u>Amy M. ...</u>	<u>Clerk</u> Secretary	<u>12-5-03</u>	Date
	Treasurer		Date
<u>Dyanne S. Plunkett</u>	<u>Mayor</u> President	<u>12-05-03</u>	Date

Note: If the engagement is for a routine compilation/attest that will be completed within six months of the entity's fiscal year-end and the CPA will submit either a Fax Approval Form or an Email engagement approval form to the legislative auditor, the space for the legislative auditor's approval may be omitted.

VILLAGE OF DUBBERLY, LOUISIANA

Management Letter
As of and for the year ended December 31, 2003

There was no management letter issued as of and for the year ended December 31, 2003.

GENERAL PURPOSE FINANCIAL STATEMENTS

VILLAGE OF DUBBERLY, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups
December 31, 2003

	Governmental	Proprietary	Account	Totals	
	Fund Type	Fund Type	Group	(Memorandum	
	General	Enterprise	General Fixed	Only)	
	Fund	Fund	Assets	2003	2002
ASSETS					
Cash and cash equivalents	\$ 7,134	11,348		18,482	16,767
Certificate of deposit	55,675			55,675	53,785
Investments	38,065			38,065	36,646
Accounts receivable		8,910		8,910	1,399
Restricted assets -					
Cash and interest-bearing bank deposits		79,328		79,328	73,666
Land		5,519	5,912	11,431	11,431
Buildings			8,798	8,798	8,798
Improvements other than buildings			23,993	23,993	23,993
Equipment		11,909	3,740	15,649	15,649
Utility plant and equipment		579,092		579,092	556,071
Accumulated depreciation		(264,436)		(264,436)	(249,226)
Total assets	<u>\$ 100,874</u>	<u>431,670</u>	<u>42,443</u>	<u>574,987</u>	<u>548,979</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ 1,501	3,963		5,464	3,366
Payable from restricted assets:					
Customer deposits		14,368		14,368	13,485
Revenue bonds payable		58,000		58,000	62,500
Revenue notes payable		183,798		183,798	189,734
Total liabilities	<u>1,501</u>	<u>260,129</u>	<u>-</u>	<u>261,630</u>	<u>269,085</u>
Fund equity:					
Contributed capital		46,000		46,000	46,000
Investment in general fixed assets			42,443	42,443	42,443
Retained earnings- unreserved		125,541		125,541	98,804
Fund balance- unreserved	<u>99,373</u>			<u>99,373</u>	<u>92,647</u>
Total fund equity	<u>99,373</u>	<u>171,541</u>	<u>42,443</u>	<u>313,357</u>	<u>279,894</u>
Total liabilities and fund equity	<u>\$ 100,874</u>	<u>431,670</u>	<u>42,443</u>	<u>574,987</u>	<u>548,979</u>

See accompanying notes and accountants' report.

VILLAGE OF DUBBERLY, LOUISIANA
GENERAL FUND

Statement of Revenues, Expenditures and Changes in
Fund Balance
Year Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
REVENUES:		
Franchise taxes	\$ 6,851	3,706
Insurance premium taxes	11,137	8,609
Police department fines	2,407	-
Grant income	1,767	-
Other	1,530	504
Royalties	402	307
Interest	2,308	3,370
Total revenues	<u>26,402</u>	<u>16,496</u>
 EXPENDITURES		
General government -		
Current -		
Salaries	2,168	2,168
Office supplies and expense	1,673	288
Utilities	4,128	3,801
Insurance	2,913	1,349
Dues and subscriptions	-	125
Professional fees	1,580	860
Compensation of officers	1,200	2,400
Police department expenses	129	-
Other	5,885	3,332
Total expenditures	<u>19,676</u>	<u>14,323</u>
Excess of revenues over expenditures	6,726	2,173
Fund balance - beginning of year	<u>92,647</u>	<u>90,474</u>
Fund balance - end of year	<u>\$ 99,373</u>	<u>\$ 92,647</u>

See accompanying notes and accountants' report.

VILLAGE OF DUBBERLY, LOUISIANA
Statement of Revenues, Expenses and Changes in
Retained Earnings - Proprietary Fund Type
Year Ended December 31, 2003 and 2002

	2003	2002
Operating revenues:		
Water sales	\$ 120,426	108,732
Tapping fees	1,920	1,662
Other	5,300	6,076
Total operating revenues	127,646	116,470
Operating expenses:		
Salaries	22,624	23,102
Insurance	11,317	6,029
Utilities	11,183	11,706
Office supplies	3,083	3,153
Operating supplies	3,244	4,021
Repairs and maintenance	11,265	10,638
Employee expense	447	661
Advertising	410	295
Payroll taxes	4,274	4,582
Depreciation	15,210	15,045
Dues and subscriptions	175	150
Professional fees	3,178	3,073
Sales tax	1,654	4,381
Compensation of officers	5,700	3,600
Other	6,408	3,093
Total operating expenses	100,172	93,529
Operating income	27,474	22,941
Non-operating revenues (expenses):		
Grants	11,520	15,000
Interest income	1,017	618
Interest expense	(13,274)	(13,816)
Total non-operating revenues (expenses)	(737)	1,802
Net income(loss)	26,737	24,743
Retained earnings - beginning of year	98,804	74,061
Retained earnings - end of year	\$ 125,541	98,804

See accompanying notes and accountants' report.

VILLAGE OF DUBBERLY, LOUISIANA
Statement of Cash Flows
Proprietary Fund Type
Year Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Cash flows from operating activities:		
Cash received from customers	\$ 114,835	117,819
Cash payments for supplies and services	(78,618)	(65,401)
Cash payments to employees for services	(22,624)	(23,102)
Other operating revenues	19,120	6,076
Net cash provided by operating activities	<u>32,713</u>	<u>35,392</u>
Cash flows from noncapital financing activities:		
Net increase(decrease) in meter deposits	883	430
Operating transfers in (out)	<u>-</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>883</u>	<u>430</u>
Cash flows from capital and related financing activities:		
Purchase of equipment	(23,021)	(15,000)
State grants for capital acquisitions	15,000	15,000
Principal paid on revenue bonds and notes	(10,436)	(9,069)
Interest paid on revenue bonds and notes	<u>(13,274)</u>	<u>(13,816)</u>
Net cash used for capital and related financing activities	<u>(31,731)</u>	<u>(22,885)</u>
Cash flows from investing activities:		
Interest on interest-bearing deposits	<u>1,016</u>	<u>618</u>
Net decrease in cash and cash equivalents	2,881	13,555
Cash and cash equivalents at beginning of year	<u>87,794</u>	<u>74,239</u>
Cash and cash equivalents at end of year	<u>\$ 90,675</u>	<u>87,794</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 23,994	\$ 22,941
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	15,210	15,045
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(7,511)	7,425
Increase (decrease) in accounts payable	<u>1,020</u>	<u>(10,019)</u>
Net cash provided by operating activities	<u>\$ 32,713</u>	<u>\$ 35,392</u>

See accompanying notes and accountants' report.

VILLAGE OF DUBBERLY, LOUISIANA
Notes to Financial Statements
December 31, 2003

The Village of Dubberly is incorporated under the provisions of the Lawrason Act. The Village is located in the Parish of Webster, being in the northwest corner of the State of Louisiana. The Village operates under a Mayor-Board of Aldermen form of government.

1. Summary of significant accounting policies

- A. Basis of presentation - The accounting and reporting policies of the Village of Dubberly conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.
- B. Reporting entity - This report includes all funds and account groups which are controlled by or dependent on the Village executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Village was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of Dubberly for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - a) The ability of the municipality to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organization for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the foregoing criteria, there were no entities that were determined to be a component unit of the Village of Dubberly.

VILLAGE OF DUBBERLY, LOUISIANA
Notes to Financial Statements
December 31, 2003

- C. Fund accounting - The accounts of the Village of Dubberly are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into categories as follows:

Governmental fund -

General Fund - The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary fund -

Enterprise Fund - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the *periodic determination of revenues earned, expenses incurred, and/or net income* is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

- D. Basis of accounting - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available as net current assets. Most revenues are recorded when cash is received. Expenditures are generally recognized when the related fund liability is incurred, except that principal and interest on general long-term debt is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

- E. Budgets and budgetary accounting - Louisiana Revised Statutes 39:1301-1314 require the Village to prepare a budget each year. The Village follows these procedures in establishing budgetary data reflected in these financial statements:

- a) The Village clerk prepares a proposed budget and submits same to the Mayor and the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.

VILLAGE OF DUBBERLY, LOUISIANA
Notes to Financial Statements
December 31, 2003

- b) The public is notified that the proposed budget is available for public inspection. At that time, a public hearing is called.
 - c) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
 - d) After the holding of the public hearing and completion of all action necessary to finalized and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
 - e) Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases or decreases in expenditures resulting from revenues exceeding or failing to meet amounts estimated require the approval of the Board of Aldermen.
 - f) All budgetary appropriations lapse at the end of each fiscal year.
- F. Encumbrances - The Village does not employ encumbrance accounting in the governmental funds. Management does not believe that the use of encumbrance accounting would serve any significant benefit for budgetary purposes.
- G. Cash and cash equivalents - For purposes of the statement of cash flows, cash and cash equivalents include cash, demand deposits and certificates of deposit. Cash and cash equivalents are stated at cost.

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits, those investments with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Village may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

- H. Accounts receivable - The Village considers substantially all customers' utility receivables and other receivables to be fully collectible; accordingly, an allowance for doubtful accounts is not required. If amounts become uncollectible, in the opinion of management, they are charged to operations at that time.
- I. Fixed assets and long-term liabilities - The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund is determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets or current liabilities are generally included on their balance sheets.

VILLAGE OF DUBBERLY, LOUISIANA
Notes to Financial Statements
December 31, 2003

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Groups, and recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets.

Long-term liabilities to be financed from revenues of the proprietary fund are accounted for in the balance sheet of that fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations.

Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Water Utility -	
Wells	40 years
Storage tanks	40 years
Distribution system	40 years
Other equipment	10 years

All fixed assets are stated at historical cost.

J. Accumulated unpaid vacation - Due to immateriality, accumulated unpaid vacation is not recorded as a liability.

K. Total columns on combined statements - Total columns on combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles.

Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. Cash and cash equivalents and investments

At December 31, 2003, the Village had cash and cash equivalents with book balances totaling \$153,485, as follows:

VILLAGE OF DUBBERLY, LOUISIANA
Notes to Financial Statements
December 31, 2003

Interest-bearing demand deposits	\$97,810
Certificate of deposit	<u>55,675</u>
Total	<u>\$153,485</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times at least equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2003, the Village had \$154,517 in deposits of collected bank balances. These deposits were secured from risk by \$154,517 of federal deposit insurance.

3. Accounts receivable - utilities customers

Accounts receivable - utilities customers are analyzed each billing period and accounts considered to be uncollectible are charged off. For the year ended December 31, 2003, no accounts receivable were charged off.

The receivables at December 31, 2003 were as follows:

Current-	\$ 8,867.60
31-60 days-	92.79
60-91 days-	<u>(50.55)</u>
	\$ 8,909.84

4. Flow of funds, restrictions on use - utilities revenues

Under the terms of the Revenue Promissory Note dated November 14, 1967, an amount of net revenues from the Waterworks System sufficient to pay the principal of and interest on the notes as they become due and payable, is to be pledged for that purpose and is to be set aside into a special fund identified as "Waterworks Revenue Note Fund." Under the terms of the bond indentures on outstanding Water System Revenue Bonds dated April 1, 1974 and September 30, 1979, income and revenues derived from the operation of the Village's Waterworks System are pledged in amounts sufficient for the payment of principal and interest on the bonds as they become due and payable, and are to be set aside into the following special funds:

Waterworks Revenue Fund - All of the income and revenues earned from the operation of the Waterworks System shall be deposited as collected into the Waterworks Revenue Fund. Current expenses of the Waterworks System shall be paid from the Revenue Fund as they become due and payable.

Waterworks Revenue Bond and Interest Sinking Fund - Each month, there shall be transferred from the Waterworks Revenue Fund into the Waterworks Revenue Bond and

VILLAGE OF DUBBERLY, LOUISIANA
Notes to Financial Statements
December 31, 2003

Interest Sinking Fund an amount constituting 1/12 of the next maturing installment of principal and interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due.

Waterworks Reserve Fund - There shall also be transferred from the Waterworks Revenue Fund into the Waterworks Reserve Fund an amount at least equal to five (5) per cent of the amount required to be paid monthly into the aforesaid Waterworks Revenue Bond and Interest Sinking Fund, until such time as there has been accumulated in the Waterworks Reserve Fund the sum of \$ 15,392. Such amounts may be used for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Revenue Sinking Fund, and as to which there would otherwise be default.

Waterworks Depreciation Fund - Funds will also be set aside into a Waterworks Depreciation Fund at the rate of \$46 each month. Money in this fund may be used for extension, additions, improvements and replacements necessary to properly operate the system. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

The balance of the excess funds on deposit in the Waterworks Revenue Fund may be used for the purpose of calling and/or paying bonds or for such other lawful corporate purposes as the governing authority of the System may determine.

Transfers to the Waterworks Revenue Bond and Interest Sinking Fund for the year ended December 31, 2003, amounted to \$27,000. Transfers to the Waterworks Reserve Fund for the year ended December 31, 2003, amounted to \$1,026, which exceeded the requirement of \$366. Transfers to the Waterworks Depreciation Fund during 2003 amounted to \$3,294 which exceeded the requirement of \$552.

Restricted assets were applicable to the following at December 31, 2003:

Bond and Interest Sinking Fund	\$ 15,120
Bond Reserve Fund	17,350
Depreciation Fund	20,790
Construction Fund	2,759
Customers' Deposits	<u>23,309</u>
	<u>\$79,328</u>

5. Long-term debt

The following is a summary of long-term debt transactions of the Village of Dubberly for the year ended December 31, 2003:

VILLAGE OF DUBBERLY, LOUISIANA
Notes to Financial Statements
December 31, 2003

Bonds and notes payable - December 31, 2002	\$252,234
New bonds and notes	-
Bonds and notes retired	<u>(10,436)</u>
Bonds and notes payable - December 31, 2003	<u>\$241,798</u>

Long-term debt at December 31, 2003, consisted of the following:

\$70,500 Revenue Promissory Note Payable to the Farmers Home Administration, United States Department of Agriculture; dated November 15, 1967; due in annual installments of \$3,731 through November 15, 2007; interest at 4%; secured by pledge of net revenues and a mortgage on the Waterworks System constructed with the proceeds from the sale of the note.	\$ 2,104
\$103,000 Revenue Bonds payable to the Farmers Home Administration, United States Department of Agriculture; dated April 1, 1974; due in annual installments of \$1,000 to \$6,000 through January, 2014; interest at 5%.	48,000
\$22,000 Revenue Bonds payable to the Farmers Home Administration, United States Department of Agriculture; dated September 20, 1979; due in annual installments of \$500 to \$1,000 through January, 2019; interest at 5%.	10,000
\$200,000 Revenue Bonds payable to the Farmers Home Administration, United States Department of Agriculture; dated February 28, 1994; due in annual installments of \$12,354 through January, 2034; interest at 5.37%.	<u>181,694</u>
Total long-term debt	<u>\$241,798</u>

The annual requirement to amortize all debt outstanding as of December 31, 2003, including interest payments of \$240,520, are as follows:

VILLAGE OF DUBBERLY, LOUISIANA
Notes to Financial Statements
December 31, 2003

<u>Year ending December 31</u>	<u>Revenue Promissory Note</u>	<u>Revenue Bonds</u>	<u>Total</u>
2004	\$ 13,106	6,989	20,095
2005	13,106	6,989	20,095
2006	13,106	6,989	20,095
2007	13,106	6,989	20,095
2008	13,106	6,989	20,095
Thereafter	<u>334,904</u>	<u>46,939</u>	<u>381,843</u>
	<u>\$400,434</u>	<u>81,884</u>	<u>482,318</u>

6. Fixed assets

A summary of proprietary fund type property, plant and equipment at December 31, 2003, follows:

Water Utility	
Land	\$ 5,519
Office Equipment	11,909
Utility Plant & Equipment	<u>579,092</u>
Total	596,520
Less accumulated depreciation	<u>(264,436)</u>
Net property, plant and equipment	<u>\$332,084</u>

SUPPLEMENTAL INFORMATION SCHEDULES

VILLAGE OF DUBBERLY, LOUISIANA

Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2003

The following serve the Village of Dubberly and were compensated as follows:

<u>Member</u>	<u>Position</u>	<u>Compensation</u>
Dyann Plunkett	Mayor	\$2,400
Lynn Cooley	Alderman	1,200
Curtis Hirth	Alderman	1,200
Johnny Brown	Alderman	<u>1,200</u>
	Total Compensation	<u>\$6,000</u>

VILLAGE OF DUBBERLY, LOUISIANA

Summary Schedule of Prior Year Findings
For the year ended December 31, 2003

There were no findings for the year ended December 31, 2002.

VILLAGE OF DUBBERLY, LOUISIANA

Corrective Action Plan for Current Year Findings
As of and for the year ended December 31, 2003

There were no findings for the year ended December 31, 2003.